



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

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Partial:___ Complete: XXX Exploration:___

Inspection Date & Time: 5/5, 12/99 / 10:00a.m.-3:00p.m.

Date of Last Inspection: 4/7/99

Mine Name: Dugout Canyon County: Carbon Permit Number: ACT/007/039

Permittee and/or Operator's Name: Canyon Fuel Company

Business Address: P.O. Box 1029, Wellington, Utah 84542

Type of Mining Activity: Underground XXX Surface___ Prep. Plant___ Other___

Company Official(s): Dave Spillman, Ken Payne

State Officials(s): Steve Demczak Federal Official(s): None

Weather Conditions: Clear, 50's

Existing Acreage: Permitted- 4035 Disturbed- 20.1 Regraded-___ Seeded-___ Bonded-___

Increased/Decreased: Permitted-___ Disturbed-___ Regraded-___ Seeded-___ Bonded-___

Status: ___ Exploration/ XXX Active/___ Inactive/___ Temporary Cessation/___ Bond Forfeiture

Reclamation (___ Phase I/___ Phase II/___ Final Bond Release/___ Liability___ Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4th Quarter-April, May, June)_____(date)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation sheet)

Page 2 of 3

PERMIT NUMBER: ACT/007/039

DATE OF INSPECTION: 5/5,12/99

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMIT-

The permittee received approval to make changes to the sediment pond as requested by the State Engineer.

The Mining and Reclamation Permit was issued by the Division on March 16, 1998. The expiration date is March 16, 2003. The mid-term review will approximately be in September of the year 2000.

The permittee will be submitting a significant revision to the Division in May.

2. SIGNS AND MARKERS -

Identification signs meet the requirements of the R645 Coal Rules. The perimeter markers were spot-checked and are located around the perimeter of the disturbed areas.

4A. DIVERSIONS -

Several diversions have been installed. These diversions were in compliance.

4B. SEDIMENT PONDS -

The sediment pond is nearly 98% complete at the time of the inspection. The sediment pond does contain a considerable amount of water, but will not likely discharge in the spring. No hazardous conditions were noticed during the inspection. The sediment pond was inspected first quarter by a P.E. on March 31, 1999.

4C. SEDIMENT CONTROL MEASURES-

The permittee has one silt fence to treat road drainage as its only alternate sediment control area at this time.

4D. WATER MONITORING -

Water monitoring was taken for fourth quarter with all parameters being taken. This was a spot check. No samples were taken for first quarter.

The permit from DEQ is UTo40020 and was issued on May 1, 1998. This permit will expire on April 30, 2003.

4E. EFFLUENT LIMITATIONS -

The UPDES permit has two discharge points 001A Mine Water Discharge and 002A sediment pond. No discharge occurred for first quarter.

INSPECTION REPORT
(Continuation sheet)

Page 3 of 3

PERMIT NUMBER: ACT/007/039

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The permittee at Dugout does not have a SPCC plan at this time, but does have a Storm Water Pollution Plan that has a SPCC included.

5. EXPLOSIVES -

Explosives are being stored at Dugout; currently is being stored temporarily at the old sub-station.

7. REFUSE -

There was no refuse being stacked or stored at Dugout mine. The permittee states the refuse material from Dugout will be hauled to SUFCO. It may be in the best interest of Canyon Fuels to have a permitted site close to Dugout. It would take several months to a year if Canyon Fuels receives approval to a permitted area near Dugout.

8. NON-COAL WASTE -

The area was clear of non-coal waste material.

18. SUPPORT FACILITIES -

The permittee is in the process of installing the coal handling facilities and a sub-station.

19. AVS -

No changes to the AVS as reported in the annual report.

21. BONDING AND INSURANCE -

The bonding is set at \$3,682,000. The policy is a surety bond from Liberty Mutual Insurance. This is an increase due to Phase II expansion.

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas, and Mining.

Copy of this Report:

Mailed to: Chris Hansen (Canyon Fuel) Henry Austin (OSM)
Given to: Joe Helfrich (DOGM) Filed to: Price Field Office
Date: May 14, 1999

Inspector's Signature: _____

Stephen J. Demczak

#39